

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 06423 250531Z
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 L-03 H-02 /106 W
-----046233 250535Z /13

R 250425Z APR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 1154

UNCLAS NEW DELHI 6423

E.O. 11652: N/A
TAGS: ETRD, IN
SUBJ: GOI GOLD POLICY

FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA AND MADRAS
FROM BOMBAY APR 21, 1978 IS REPEATED TO YOU FOR YOUR INFO:

QUOTE
BOMBAY 0998

E. O. 11652: N/A
TAGS: ETRD, IN
SUBJ: GOI GOLD POLICY

1. AS PART OF ITS RECENT BUDGET ANNOUNCEMENT (MARCH 31), GOI
INDICATED ITS INTENTION TO SELL NON-MONETARY STOCKS OF GOLD
IN THE INDIAN MARKET AND ALSO ALLOW IMPORTS OF GOLD INTO
INDIA (AT INTERNATIONAL PRICES) BY AUTHORIZED JEWELRY EXPORTERS.
HITHERTO, INDIAN EXPORTS OF GOLD ORNAMENTS HAVE BEEN INHIBITED
BY THE HIGH PRICE OF LOCAL GOLD, QUOTA RESTRICTIONS ON
EXPORTS, AND CUMBERSOME BONDING REGULATIONS. AS A RESULT OF
THE IMPORT LIBERLIZATION GOI ANTICIPATES A FALL IN LOCAL
GOLD PRICES AND SUBSEQUENT REDUCTION IN GOLD SMUGGLING
OPERATIONS. IN CONNECTION WITH THE FORMULATION OF THE NEW
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 06423 250531Z

POLICY REPRESENTATIVES OF GEM & JEWELRY EXPORT PROMOTION
COUNCIL (GJEP), BOMBAY, ASSISTED GOI'S FINANCE MINISTRY
AUTHORITIES IN WORKING OUT PROCEDURAL DETAILS OF THE NEW
SCHEME. A COPY OF THE PROPOSAL PRESENTED TO GOI BY THE LOCAL
JEWELRY TRADE IS BEING AIRPOUCHED.

2. A REPRESENTATIVE OF GJEP'S JEWELRY COMMITTEE CONFIRMED

ECONOMIC TIMES REPORT OF APRIL 19 WHICH STATED THAT THE NEW GOI GOLD POLICY IS EXPECTED TO BE ANNOUNCED DURING THIS COMING WEEKEND. HOWEVER, ACTUAL SALES OF GOLD BY GOI WOULD NOT BEGIN UNTIL MAY 1. CRITICIZING GOI FOR THE UNDUE DELAY IN ANNOUNCING THE SCHEME THE SAME SOURCE TOLD US THAT LOCAL GOLD PRICES WHICH HAD HIT A LOW LEVEL (RS.670 PER 10 GRAMS) IMMEDIATELY AFTER THE BUDGET ANNOUNCEMENT, HAD IN THE INTERIM RISEN CONSIDERABLY. ANTICIPATING THIS PROPOSED WEEKEND ANNOUNCEMENT, HOWEVER, PRICES OF GOLD IN BOMBAY HAVE TODAY STARTED DECLINING.

3. ACCORDING TO A PROMINENT BOMBAY JEWELER, GOI SCHEME ENVISAGES GOLD TO BE SOLD TO AUTHORIZED DEALERS ON THE BASIS OF TENDER QUOTATIONS. IN ADDITION, AUTHORIZED EXPGOTERS OF ORNAMENTS WOULD BE PROVIDED WITH SEPARATE IMPORT PERMITS TO ENABLE THEM TO IMPORT GOLD AT INTERNATIONAL PRICES, WHICH IS FAR BELOW THE PREVAILING INDIAN PRICE.

4. MR. SRINIVASAN, DY. DIRECTOR GENERAL, INDIAN STANDARDS INSTITUTE (ISI), BOMBAY, INFORMED US THAT GOI IS ALSO CONSIDERING A PROPOSAL TO INTRODUCE ISI CERTIFICATION MARKS ON ALL GOLD ITEMS FOR ENSURING APPROPRIATE QUALITY CONTROL. ALL THESE MEASURES IT IS BELIEVED BY LOCAL JEWELRY TRADE, WILL HAVE A SALUTORY EFFECT ON INDIAN EXPORTS OF GOLD ORNAMENTS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NEW DE 06423 250531Z

5. MR. ISMAIL MOTIVALA, CHAIRMAN OF GJEPCC'S JEWELRY COMMITTEE SAID, THAT CURRENTLY ITALIAN AND GERMAN EXPORTERS OF GOLD JEWELRY (MOSTLY MACHINE MADE) HOLD SUBSTANTIAL SHARE OF WORLD GOLD JEWELRY MARKET. WITH THE FORTHCOMING LIBERALIZATION IN GOI GOLD POLICY HE EXPECTS INDIAN EXPORTS OF GOLD JEWELRY TO INCREASE CONSIDERABLY, ESPECIALLY TO COUNTRIES IN MIDDLE EAST. SIGNED COURTNEY.

UNQUOTE
GOHEEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, POLICIES, SALES, GOLD
Control Number: n/a
Copy: SINGLE
Draft Date: 25 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE06423
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780175-1142
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780420/aaaaaqic.tel
Line Count: 103
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 000649a8-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2859517
Secure: OPEN
Status: NATIVE
Subject: GOI GOLD POLICY FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA AND MADRAS FROM BOMBAY APR 21, 1978 IS REPEATED TO YOU FOR YO
TAGS: ETRD, IN
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/000649a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014